



SC Department of Employment and Workforce NEWS RELEASE

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S.C. Department of Employment and Workforce Overpayments Information

Columbia – The headline screamed “SC has overpaid \$27 Million in jobless benefits this year.” This will certainly grab your attention, but what relevant information does it convey? None by itself. The number has to be looked at in the context of the situation.

As information is reported about unemployment insurance in South Carolina, there are typically several variables to consider due to the complexity of the programs. In this case, for instance, the article failed to point out that the overpayment rate in 2020 is significantly lower than the overpayment rate for 2019. The fact is, overpayments were up in 2020 because the amount of money paid was enormously higher than that in 2019.

Overpayments consist of two things. The first is fraud. It can include many things such as ID theft, intentional misrepresentation of information, etc. The second is non-fraud. Non-fraud overpayments occur when the agency makes decisions based on the best information available at the time and later receives information that conflicts with the previous information and changes the decision. For example, an employee files an unemployment claim indicating that he has been laid off. If it is later learned from the employer that the employee was actually fired for good cause or quit, the decision of eligibility will be reversed and an overpayment is created.

	Q1-Q3, 2019	Q1-Q3, 2020
Total Benefits Paid	\$115,698,220	\$1,000,158,934
Total Overpayment Dollars	\$4,713,110	\$27,462,563
Overpayment Rate	4.00%	2.75%

The data in this matrix makes it clear that the overpayments (fraud and non-fraud) made in the first three quarters of 2020 are high because the total benefits paid are sky high compared to the first three quarters of 2019. The overpayment rate for the first three quarters of 2019 was 4%. The overpayment rate for the first three quarters of 2020 is down to 2.75%. While the amount of overpayment is up for 2020, the fact is that the agency has been more effective in making decisions this year than last.

The agency has received more initial claims in eight months, than total initial claims received in the last five years. DEW has also paid more money in UI benefits since March than we did the previous decade. When initial claims numbers and dollars paid out go up like they did, overpayments will obviously increase as well. This is a challenge all state UI agencies are experiencing. Our agency is working daily to help people understand the UI process and ensure benefits are available to the deserving South Carolinians who are truly eligible. At



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the same time, we are doing everything we can to be good stewards of the money employers have paid into the trust fund.

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About the S.C. Department of Employment and Workforce

The S.C. Department of Employment and Workforce is putting South Carolinians to work. The agency has four missions: (1) workforce development; (2) free job match employment services; (3) unemployment insurance; and (4) labor market information. All four missions contribute to workforce development. The agency is dedicated to advancing South Carolina through services and programs that meet the needs of our businesses, jobseekers and those looking to advance their careers.